

# ARICOR

## Water Solutions



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2014 SEP 18 P 4: 22

September 18, 2014

AZ CORP COMMISSION  
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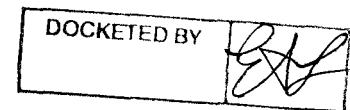
ORIGINAL

Mr. James Armstrong  
Chief of Financial & Regulatory Analysis  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007-2927

Arizona Corporation Commission  
DOCKETED

SEP 18 2014

RE: Docket No. W-02467A-14-0230  
Granite Mountain Water Co., Inc.  
Application for Rate Increase  
Supplemental Documents as Requested by Commission Staff



Dear Mr. Armstrong:

This letter and supplemental materials attached are being provided in response to a request from Commission Staff.

The following replacement pages from the Short Form Application are attached:

Page 6  
Page 15  
Page 20  
Page 23

The pages have been updated to correct typographical errors that were made when manually transferring data from excel workbook (supplemental schedules) to the required short form schedules. The pages have been marked AMENDED and should replace previously provided documents.

Please contact me directly should any further information or clarification be required to complete the sufficiency review for this application.

Sincerely,

Ray L. Jones

Mr. James Armstrong  
September 18, 2014  
Page 2



cc: via email - Teresa B. Hunsaker  
Public Utility Analyst II  
Arizona Corporation Commission

Enclosures:

Page 6, AMENDED  
Page 15, AMENDED  
Page 20, AMENDED  
Page 23, AMENDED

Original and 13 copies filed  
By Hand Delivery with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

## STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

Granite Mountain Water Co., Inc (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 12/31/2013 (mm/dd/yy). The Company had total operating revenues of \$ 117,447, served 121 metered and 0 un-metered (from page 19) customers, and sold 9,763,000 gallons of water during the Test Year. (from page 18)

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ ~~64,211~~ 64,221.

Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 181,668.

The Company is current on all property taxes. ☒ YES ☐ NO

The Company is current on all sales taxes. ☒ YES ☐ NO  
(Please see checklist item 2 on page 1.)

The Company currently has a Curtailment Plan Tariff on file with the Commission ☒ YES ☐ NO

The Company currently has a Backflow Prevention Tariff on file with the Commission. ☒ YES ☐ NO

The Company notified its customers of its application for a rate adjustment on \_\_\_\_\_ (mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)**

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

**AMENDED**

**UTILITY PLANT IN SERVICE**

<b>Acct No.</b>	<b>Description</b>	<b>Original Cost</b>	<b>Accumulated Depreciation</b>	<b>OCLD</b>
		<i>Column A</i>	<i>Column B</i>	<i>Column C**</i>
301	Organization	110	0	110
302	Franchises	0	0	0
303	Land & Land Rights	0	N/A	0
304	Structures & Improvements	21,608	15,103	6,504
307	Wells & Springs	38,472	26,891	11,581
311	Pumping Equipment	105,182	105,182	0
320	Water Treatment Equipment	1,661	1,161	500
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	416	291	125
330	Distribution Reservoirs & Standpipes	7,775	4,748	3,027
330.1	Storage Tanks	106,705	10,192	95,513 96,513
330.2	Pressure Tanks	55,213	43,203	12,010
331	Transmission & Distrib. Mains	415,165	260,975	154,190
333	Services	55,853	39,040	16,813
334	Meters & Meter Installations	6,652	4,099	2,554
335	Hydrants	8,774	5,550	3,225
225,225	Backflow Prevention Devices	1,027	889	138
339	Other Plant & Misc. Equipment	4,850	4,200	650
340	Office Furniture & Equipment	0	0	0
340.1	Computers & Software	3,500	2,450	1,050
341	Transportation Equipment	7,456	3,728	3,728
343	Tools, Shop & Garage Equip.	149	4	145
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	5,000	3,912	1,088
346	Communication Equipment	853	853	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	20	20	0
	<b>TOTAL WATER PLANT</b>	<b>*846,441</b>	<b>532,491</b>	<b>313,950</b>

\* Must be the same as the amount reported on page 20

\*\*Column C = Column A - Column B

**AMENDED**

Company Name: **Granite Mountain Water Co., Inc.**Test Year Ended: **2013****CALCULATION OF DEPRECIATION EXPENSE**

Acct. No..	Description	Original Cost <sup>1</sup>	Depreciation Percentage	Depreciation Expense
		<i>Column A</i>	<i>Column B</i>	<i>Column C*</i>
301	Organization	110	0	0
302	Franchises	0	0	0
303	Land & Land Rights	0	N/A	0
304	Structures & Improvements	21,608	3.33	720
307	Wells & Springs	113,142 113,472	3.33	3,779
311	Pumping Equipment	0	5.00	0
320	Water Treatment Equipment	1,661	3.33	55
320.1	Water Treatment Plants	0	3.33	0
320.2	Solution Chemical Feeders	416	20.00	83
330	Distribution Reservoirs & Standpipes	7,775	2.22	173
330.1	Storage Tanks	250,705	2.22	173 5,566
330.2	Pressure Tanks	55,213	5.00	2,761
331	Transmission & Distrib. Mains	445,165	2.00	8,093 8,903
333	Services	55,853	3.33	1,860
334	Meters & Meter Installations	6,652	8.33	554
335	Hydrants	8,774	2.00	175
336	Backflow Prevention Devices	1,027	6.67	68
339	Other Plant & Misc. Equipment	4,850	6.67	324
340	Office Furniture & Equipment	0	6.67	0
340.1	Computers & Software	3,500	20.00	700
341	Transportation Equipment	7,456	15.00	1,118
343	Tools, Shop & Garage Equip.	149	5.00	7
344	Laboratory Equipment	0	10.00	0
345	Power Operated Equipment	5,000	5.00	250
346	Communication Equipment	0	10.00	0
347	Miscellaneous Equipment	0	10.00	0
348	Other Tangible Plant	0	20.00	0
	<b>TOTAL WATER PLANT</b>	<b>989,386</b>		<b>27,096</b>

**Note:** Use Test Year ending balances for column 1, and approved depreciation rates from the prior rate case in column 2.

\* **Column C = Column A x Column B**

<sup>1</sup> **Column A = Original Cost – Fully Depreciated Plant**

**AMENDED**

Company Name: <b>Granite Mountain Water Co., Inc.</b>	Test Year Ended: <b>2013</b>
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt<sup>1</sup>**

	<b>LOAN #1*</b>	<b>LOAN #2*</b>	<b>LOAN #3*</b>	<b>LOAN #4*</b>
Date Issued	None	None	None	None
Source of Loan				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Net Proceeds	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$
Authority Granted By ACC Decision No.				

*A.R.S. 40-301 requires ACC approval of long-term debt. If the Commission has not approved any of the above loans, then please submit an application requesting approval of the above loans.*

Meter Deposit Balance – Test Year	<u>\$ <del>8,256</del> 750</u>
Meter Deposits Refunded During the Test Year	<u>\$ 0 630</u>

<sup>1</sup> List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. **AMENDED**